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**NEWS RELEASE**

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**PSC GRANTS RATE HIKE TO NORTHERN KENTUCKY WATER**  
*Utility receives one-third less than requested*

FRANKFORT, Ky. (April 28, 2006) – The Kentucky Public Service Commission (PSC) today granted a rate increase to the Northern Kentucky Water District (NKWD).

The rate increase would raise the quarterly bill for the average NKWD residential customer (18,000 gallons/quarter usage) from \$78.65 to \$83.70, an increase of \$5.02, or 6.4 percent.

NKWD had requested an increase of about \$3.4 million in annual revenues. The PSC determined that the request was excessive and reduced the increase by a third, to \$2.3 million. With the increase, NKWD's annual revenues from water sales will increase by 6.8 percent, to \$36.3 million.

Today's order also authorizes the NKWD to issue \$29 million in bonds for projects to improve and expand its system.

The PSC denied a number of revisions NKWD proposed to its rules and conditions of service, including changes in the areas of fire protection and meter location. The Commission also ordered the district to clarify the language pertaining to matters such as service charges and leak adjustments.

Northern Kentucky Water has 78,000 retail customers in Campbell and Kenton counties and provides wholesale water service to the Pendleton County and Bullock Pen water districts and to the city of Walton.

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The Northern Kentucky Water District was formed in 1997 from the merger of water districts in Kenton and Campbell counties. In recent years it also has acquired the water utilities of the cities of Newport and Taylor Mill.

In 2003, the PSC granted NKWD a rate adjustment that equalized the water rates in the former Kenton and Campbell county districts. A rate adjustment granted in 2004 equalized the water rates in Newport with the rest of the district. Today's adjustment equalizes the rates for customers in Taylor Mill.

Today's order and other documents in the case are available on the PSC Web site, [psc.ky.gov](http://psc.ky.gov). The case number is 2005-00148.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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